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SUBJECT: MEDIA REACTION: IRAN

TOPIC: Iran

Global economy

HEADLINES AND EXCERPTS:

"U.S. should lead by example during crisis"

The independent English-language South China Morning Post said in an editorial (2/4): "Central bankers are expected to try to calm markets and ease the anxiety of investors in times of crisis. So the warning by Hong Kong Monetary Authority chief Joseph Yam Chi-kwong of a second, even more serious, wave of financial turmoil is disconcerting. After what the credit crunch has done, it is hard to imagine an even more damaging second hit.... The world cannot recover until its largest economy has. But the U.S. cannot blindly pursue beggar-thy-neighbor policies to pull itself out of a hole. It is hoping to continue to exploit its position as the issuer of the world's reserve currency by selling more IOUs in the form of U.S. Treasury bills and printing money backed by nothing but the good name of the U.S. government. The U.S. should be reminded of its global responsibility to help struggling economies. It should allow its overseas creditors to lay claim to real U.S. assets such as those it already owns in the financial and mortgage sectors from federal bailouts. This will quickly attract foreign investment and boost economic recovery. Americans have been fond of lecturing others on the evils of failing to open their economies and of pandering to nationalist sentiments. It's time for the U.S. to practice what it preaches."

"Reviving protectionism, Obama has run out of tricks"

The independent Chinese-language Hong Kong Economic Journal said in an editorial (2/4): "The financial crisis has resulted in economic recession. Protectionist sentiments in the U.S. are running high. The House of Representatives passed the 'Buy American' provision in the economic stimulus plan on January 28. The provision has raised concerns and debates in many countries. In an interview with The Time, the British Business Secretary Mandelson criticized a provision in Obama's economic stimulus plan for prohibiting foreign-made steel from being used in U.S. projects paid for by the economic rescue package. He said that kind of trade protectionism provision will certainly trigger trade confrontations. It is a 'poison'. In response to U.S. Treasury Secretary Geithner's accusation that China is manipulating the yuan, China also believes the U.S. is using the exchange rate argument as justification for the trade barriers it will set up later. The Heritage Foundation, a conservative U.S. think tank, recently wrote an article rejecting the 'Buy American' provision, under the title, 'Buy American Hurts American'. The writer said that 'Buy American' cannot save the U.S., and on the contrary, it will create grave consequences which will hurt others and itself."

